

## Message Text

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44

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-07 FRB-03 INR-07

NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 /053 W  
----- 002945

R 311045Z MAY 75

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

SECSTATE WASHDC 3075

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

USINT BAGHDAD

AMEMBASSY CAIRO

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E.O. 11652: N/A

TAGS: EIND, BMEP, KU

SUBJECT: KUWAITIS TALK TO U.S. COMPANIES ABOUT TIRE FACTORY  
HERE AND IN EGYPT.

1. OVER SEVERAL YEAR PERIOD EMBASSY HAS PERIODICALLY REPORTED  
ON KUWAITI INTEREST IN \$30 MILLION TIRE FACTORY TO BE LOCATED  
HERE. APPEARS GOK WILL EVENTUALLY HAVE TO MAKE DECISION AT TOP  
MOST LEVEL WHETHER PERMIT THIS PROJECT PROCEED OR KILL IT  
AS GOK DID TO STEEL MILL PROJECT LAST FALL.

2. CURRENT PROJECT STATUS IS THAT TWO U.S. COMPANIES B.F.  
GOODRICH AND UNIROYAL HAVE SUBMITTED FEASIBILITY STUDIES TO  
TIRE COMPANY WHICH UNDER FORMATION. COMPANY INCLUDES  
NATIONAL INDUSTRIES CO., A LARGE KUWAITI COMPANY WHICH OWNS  
AND IN SOME CASES OPERATES COMPANIES IN THE CONSTRUCTION MATER-  
IALS BUSINESS AS WELL AS A BATTERY PLANT; THE MAJOR TIRE  
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IMPORTERS IN KUWAIT; AND SHEIKH NASSER SABAH AL-AHMAD THE

SON OF THE FOREIGN MINISTER. B.F. GOODRICH APPEARS BE WORKING CLOSELY WITH NIC WHICH INITIALLY CONCEIVED THE PROJECT AND SPECIFICALLY WITH THEIR GM MOHAMMAD AL-ATEEQY AND HIS TECHNICAL ADVISOR MISBAH ZAHLAN (IT WORTH NOTING GOODRICH PARTICIPATION PROMPTED BY EMBASSY REPORTING THIS PROJECT AND SUBSEQUENT REQUEST THAT THEY EXPEDITE FEASIBILITY STUDY SUBMISSION). UNIROYAL IS WORKING WITH INFLUENTIAL ACCOUNTANT AND FINANCIAL ADVISOR TALAL ABU GHEZALAH WHO NUMBERS AS CLIENTS SOME MEMBERS OF RULING SABAH FAMILY AND OTHER PROMINENT BUSINESSMEN. THIRD COMPANY, MANSFIELD TIRE HAS SENT THEIR INT'L PRES. TO KUWAIT AND ARE TRYING TO SQUEEZE INTO PROJECT THROUGH WELL-KNOWN LOCAL TIRE IMPORTER INTRODUCED THROUGH EMBASSY.

3. WE HAVE REASON BELIEVE UNIROYAL STUDY MUCH MORE THOROUGH GOING AND TARGETED SPECIFICALLY TO KUWAIT THAN GOODRICH, BUT AT THIS POINT GOODRICH APPEARS HAVE INSIDE TRACK SINCE IT HAS BEEN INVOLVED LONGER AND IT WORKING WITH COMPANY WHICH ORIGINALLY CONCEIVED PROJECT (NIC). MANSFIELD DOES NOT YET APPEAR TO BE SERIOUSLY IN THE RUNNING, BUT IT RECEIVED CONSIDERABLE INTEREST FROM KUWAITIS IN SUPPORTING ITS BID TO ESTABLISH SECOND TIRE PLANT IN EGYPT WHERE MANSFIELD HAS BEEN OPERATING ONE SUCH PLANT PRODUCING "NASR" TIRES FOR ALMOST TWO DECADES.

4. SINCE THIS PROJECT HAS SOME OF THE EARMARKS OF THE ABORTED STEEL MILL PROJECT (LACK FOR PRESENT TIME OF INDIGENOUS RESOURCES, RELATIVELY HIGH LABOR INPUT--ALTHOUGH LESS THAN A STEEL MILL--AND SMALL DOMESTIC MARKET), IT STILL POSSIBLE GOK WILL AT LAST MOMENT AT TOP MOST LEVEL INTERVENE AND STOP PROJECT. ON OTHER HAND, IF IT DOES GO AHEAD IT WILL LIKELY ALMOST ASSUREDLY BE WITH A U.S. MANUFACTURER WHO PROVIDES THE TRAINING, MARKETING, AND PROBABLY MANAGEMENT TO THE COMPANY.  
MAU

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRIAL PLANTS, PROPOSALS (BID), BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Errors:** N/A  
**Film Number:** D750191-0404  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975052/aaaaabar.tel  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**TAGS:** EIND, BTIO, KU  
**To:** COM STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006